

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on January 14, 2009 at 8:00 a.m.

Board Members Present: Dale Morman, Dan Mayer, and Bob Mechling. Also present: Superintendent Eric Tibbetts.

Absent: None.

The agenda was approved; Bob Mechling moved, Dan Mayer seconded, which motion carried.

Bob Mechling moved to accept the minutes of the December 10, 2008 meeting, Dan Mayer seconded, which motion carried.

Bills in the amount of \$122,640.28 were presented. Bob Mechling moved, Dan Mayer seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$21,158.98
FICA	\$ 1,560.39
Retirement	\$ 1,259.90
Health	\$ 2,685.63
Dental	\$ 371.24
Life	\$ 48.60
Alltel	\$ 81.99
BH Power & Light	\$ 7,704.88
Knology	\$ 152.63
Verizon Wireless	\$ 59.83
Montana Dakota Utilities	\$ 81.50
Deutsch, Brad	\$ 220.00
Morrell, Candy	\$ 389.53
SD Public Assurance Alliance	\$10,238.27
SDML Work Comp Fund	\$ 7,737.00
America Water Works	\$ 80.00
A&J Supply	\$ 82.00
Brosz Engineering	\$ 2,710.00
Campbell Supply	\$ 60.21
Caselle	\$ 8,636.00
Chris Supply	\$ 52.80
Cummins Central Power	\$14,068.24

Dakota Backup	\$ 56.67
Dept of Environment	\$ 42.00
Desert Diamond Industries	\$ 160.00
Double Star Computing	\$ 484.95
Farmers Union	\$ 513.74
Gary Kinzler	\$ 46.96
Hawkins	\$ 1,092.81
HD Waterworks	\$ 2,526.40
IKON Office Solutions	\$ 888.15
J. Grubl Excavating	\$ 1,234.69
Johnstons Hardware Hank	\$ 11.15
Johnstons Hardware Hank	\$ 84.74
Karyl Biegler	\$ 43.00
Meade Co. Times	\$ 26.81
Menards	\$ 886.00
Midcontinent	\$ 131.00
Morman Law Office	\$ 877.44
Northwest Pipe Fitting	\$ 49.06
O'Reilly Auto Parts	\$ 25.77
Owens	\$ 15.83
Rapid Diesel	\$ 40.42
Rushmore Office Supply	\$ 109.57
Sam's Club	\$ 36.00
SEDC Manager	\$25,000.00
SD Chapter APWA	\$ 35.00
SD Federal Property	\$ 24.68
SD Federal Property	\$ 116.00
Servall	\$ 5.19
Servall	\$ 5.19
Speedy Lube	\$ 60.47
Sturgis NAPA	\$ 204.38
Sturgis Yamaha	\$ 462.33
Sturgis Yamaha	\$ 7,843.00
USA Bluebook	\$ 61.26
TOTAL	<u>\$122,640.28</u>

Ray Murray requested that the Board convey Well #1 and the lot on which it sits back to his company, since MUB has not used the well and pursuant to the purchase agreement it has to be re-conveyed if not used within two years. After discussion Dan Mayer moved to approve, Bob Mechling seconded, which motion carried. The Board directed attorney John Hughes to meet with Ray Murray's attorney, Dale Hansen, to sort out the details.

The Board discussed revision of its five year plan and after discussion Bob Mechling moved, Dan Mayer seconded to approve the revised plan, which motion carried.

Superintendent Tibbetts requested permission to purchase a generator for the water shop at a price of \$7,000 plus. The 50/50 grant would apply to the generator and transfer switch. Dan Mayer moved, Bob Mechling seconded to approve the purchase, which motion carried.

Superintendent Tibbetts requested that the Board approve destroying records prior to 2005 according the South Dakota Records Retention and Destruction Schedule upon approval of the MUB and City Council. Bob Mechling moved, Dan Mayer seconded to approve, which motion carried.

James Mason was at the meeting to inform the Board that he has a water leak and requested that the Board pay the whole price for his repair. Superintendent Tibbetts pointed out that the cause of the leak is on Mr. Mason's side of the line and further pointed out that the MUB furnished approximately \$150 worth of parts to Mr. Mason. After discussion the Board voted to table the issue with Dan Mayer moving, Bob Mechling seconded, which motion carried.

Superintendent Tibbetts requested that the Board readjust the shut-off fee from \$100 to \$66 effective February 1, 2009. Dale Morman moved to approved, Dan Mayer seconded, which motion carried.

The Board discussed removal of the availability fee as there had been complaints about it and it caused more of a financial burden for the local citizens than the amount of revenue justifies. After discussion, Dan Mayer moved, Bob Mechling seconded to remove the availability fee, which motion carried.

Bob Mechling moved, Dan Mayer seconded to go into Executive Session to discuss personnel issues, which motion carried. After discussion, Dan Mayer moved, Bob Mechling seconded to come out of Executive Session, which motion carried. The Board had discussed an employment contract for the Water Superintendent which will be proposed and discussed later.

There being no further business the meeting was adjourned.

Dale Morman
President

John T. Hughes
Secretary

STURGIS

MUNICIPAL UTILITY BOARD

Five-Year Plan

2008 - 2012

**The Sturgis Water Department is dedicated to providing
Customer Service and Quality Water**

The Municipal Utility Board governs the Sturgis Water Department. The mayor of the City of Sturgis appoints the three-man board on staggered 6-year terms. The MUB has taken a progressive approach to providing water service to the City. Since their inception in 1979, they have completed numerous projects to keep up with the development of the City. Recently water mains have been a part of street and highway projects to upgrade and expand water services. Some of these projects in just the last five years include Junction Avenue; Highway 14A, Dudley Street, Williams Street, and a new high pressure main and new well to the Industrial Park. This Five-Year Plan is a continuation of that progressive approach to providing top quality water service to the Sturgis community.

MUB Board Members:
Dale Morman: Chairman
Chris R. Mechling
Dan Mayer

Overview

This five year plan will be in a constant state of change do to the city projects and varying timelines. In addition, as streets projects are constructed, new mains will be installed as part of the street improvement projects.

The Lazelle Street improvement project is expected to begin between the 2011 to 2012 timeframe. The work will need to be done in two phases. The SD DOT has changed the Lazelle project to an overlay only plan. The proposed MUB water main and fire hydrant project will start at Pamida and end at Junction Avenue. The pipe size will be eight inch diameter. The Water Company will be replacing all curb stop connections and adding additional fire hydrates as needed. The 2008 estimated cost will be located in table B-1.

Repairs to the Sturgis dam # 2 are expected to be made within the 2013 to 2015 timeframe.

The MUB approached South Dakota Fish & Game, during the summer of 2007 regarding a land exchange. South Dakota Fish & Game is very interested in this proposal to see if it is feasible trade property for land that would be of greater economical value to the MUB and the City.

Availability fees

Availability fees will be collected starting the first of November 2007. This fee will be assessed to any building, lot, apartment, or house that has the water turned off for over thirty days. Mobile home lots that are vacant and new home lots and structures that have not been purchased will not be charged this fee. Any non-profit building such as a church, or senior center will not be billed this fee once they have submitted documentation. The water fee will be based on the line size (See table A-1).

Table A-1 Availability Fees

Availability fees are assessed per line size. If customers have more than one line then a fee will be levied for each line.

¾" & 1"	1 minimum	\$10.00
1 ¼"	2 minimums	\$20.00
1 ½"	3 minimums	\$30.00
2"	4 minimums	\$40.00
3"	6 minimums	\$60.00
4"	8 minimums	\$80.00

The monies collected from this fee will be placed in an interest bearing account and used for future expansion projects.

Murray Addition Project Currently Planned for 2009 to 2010

Brosz Engineering is currently working on the engineering plans for Murray Addition water project.

Billing Program Software Update

During June of 2008 the MUB paid to update the billing software for all City Utilities. The cost was approximately 18,000 dollars with new hardware. This new version of Caselle billing software gives the MUB current billing tools to service the community.

Operator's Maintenance Projects

To update department records the water operators will be tasked to perform projects that will update the department's maintenance records. Currently the fire hydrants and the valves on the mains within the City need to have records created that reflect the condition of each hydrant. This will provide the MUB with current budgeting data to incorporate into the five year plan. Most of this has been active and will continue through 2009.

The MUB will also be performing a complete maintenance inventory of all well houses and water tanks. After this has been completed, the repair or replacement cost will be added to the five year budgeting plan.

Maintenance Plans & Projects

Starting in the fall of 2007, all hydrants will be inventoried for their condition, location, type, make and model number. All hydrants will divide into zones. Each year hydrants within these zones will have all caps removed and valve exercised. If a hydrant that is not operating correctly and needs repair, it will be tagged and placed on the repair list. The fire department will be notified within 24 hours of the condition and repair status of those hydrants. As undersized water mains are replaced the hydrant will be replaced at the same time. This will be an ongoing annual maintenance.

The fire hydrants will be on rotating flushing schedules each year. If a hydrant cannot be flushed because of its location then each cap will be removed and the valve stem will be exercised.

The MUB will be replacing approximately seven fire hydrants during the 2009 budget. The superintendant has added to the budget the expected cost. The cost per hydrant without curb, gutter, and pavement is estimated at 3,000.00 dollars per hydrant.

Water Shop Generator

In order to prepare for power outages during extreme weather conditions the MUB needs to have a permanent generator that will provide power to maintain electrical power to keep the SCADA system operational. The Superintendant is currently looking for grant money and is determining what the cost will be. This project needs to be fitted into the 2009 budget.

Valve Exercise Program

Most of the valves in Sturgis have not been exercised, thus will be rusted or corroded to the point that the valves will not function correctly. The MUB will be dividing the City into zones and exercising newer and older valves. The older valves will be exercised in areas that Public Works is planning on doing chip and seal or overlay work. This will decrease the cost of repair if a valve were to fail and needed to be replaced.

This program is important in order to maintain the integrity of the water system. If valves are not properly exercised the possibility of water loss is greatly increased during a line rupture and will cause other valves to be closed and thus increasing amount of homes having water service interrupted during repairs. This program will continue late spring 2009, and then will become normal annual maintenance.

Well House Inventory Project

Each of the seven well houses and holding tanks will be checked for the condition of their structure, and the equipment within the well house and the tanks will be evaluated for their condition, then a time of repair or replacement will be entered into this five year plan.

Well # 7 Improvements

Upgrade of well #7 to an 1100 GPM pump and motor. The estimated cost will be \$300,000.00 for this upgrade. Currently costs are increasing by 15 to 20 % annually. The MUB is looking at upgrading the pump and motor during the 2012 to 2015 period. This will add stability to the water distribution system.

Currently if the City loses power the water department will be able to deliver up to 550 GPM of water into the distribution system. The MUB is capable of delivery of this water because of the diesel generator that is attached to well seven. This amount of water will not be acceptable during the summer months. If the output is doubled, the system will be able to provide residential and fire suppression to the City during a summer power outage. The priority of this project depends on the needs of the City.

Budget Planning

During 2009 the MUB will place its financial assets into capital projects, projected maintenance plans, Annexation plans, City improvement plans, equipment maintenance and replacement costs. This will help budget all MUB monies into appropriate area and thus allow the MUB to know where the cash surpluses and shortfalls are during the planning stages.

It is the policy of the MUB to use any grant or low interest money when it is available and appropriate to the project.

Water Main Improvements 2009 Through 2012

Currently there are many areas of the city where water mains need to be replaced. As businesses and residential homes are built, the MUB is attempting to upgrade or replace lines and hydrant as required. These projects are ongoing and occur as needed.

Example: Howard and Sherman Street water main project.

With the Black Hills Special Services Building being built on Sherman Street the water flow is not adequate to provide fire sprinkler protection. The MUB is providing a six inch water line with fittings and a hydrant at MUB cost. The Black Hills Special Services is paying for the trenching and labor. During the spring of 2009 the Sherman and Howard Street water lines will be connected. This will loop the water line and do away with a dead end line, thus increasing flow and pressure.

These projects are ongoing and cost approximately 15,000 to 20,000 dollars at current rates.

Fort Meade Water Connection Plan

There is a possibility of a future connect project to Ft. Meade. There is no current timeline. It is the policy of the MUB to work with the municipality and Fort Meade for a water project that benefits both parties.

The Lazelle Street Improvement Project Currently Planned for 2011

The estimated costs during 2008 for C-900 8 & 10 inch pipe are as follows: **Table B-1**

1	C-900 Pipe	8"	\$8.46 per foot	Total feet in dollars: \$46,530.00
2	C-900 Pipe	10"	\$13.55 per foot	Total feet in dollars: \$74,525.00
3	Hydrants	Total 30	1400.00 +400.00 + 85.00 8x6 T with res 394.00. 10x6 T with res 485.00	Average Hydrants Total: \$75,000

The pipe will increase around four percent a year in cost. In addition to all of the projects in this report, \$30,000.00 per year will be budgeted for miscellaneous capitol improvements and water main replacement.

This is a very conservative plan and all the projects may not occur in the year designated. They may occur as soon as the funds become available.

In addition, as street projects are constructed, new mains will be installed as part of the street improvement project.

Employees

When the part-time meter reader position becomes open the department plan is to replace this position with a full time operator. This will be an entry level position that will have responsibilities to be the meter reader and becoming a certified operator. By having an entry level operator available it will give the department coverage in case of loss of a certified operator.

Currently to replace a certified operator, the water department would have to increase wages in order be competitive to recruit from another city. This would still not decrease the burden of training a certified operator from another system with differing policies and procedures. The most cost effective plan is to open an entry level position.

Safety Program

The MUB has a safety program that addresses maintenance, construction of infrastructure, road work, confined space, and office workers.

The Water Department will be addressing all these safety issues as they relate to this department. The MUB has added \$1800.00 to the budget and will over the next five years use this money for training, training aids and safety supplies. The MUB has implemented a management policy which is in the MUB Regulations; that provides the superintendent with the authority to address policy regarding manholes and meter pits.

This policy is set in place to decrease confine space manholes or meter pits within the City of Sturgis. All new meter pits will be Mueller Thermal-Coil meter boxes with locking lids. These meter boxes do not require operators to enter the box in order work on or read the meters.

If any meter pits have lines abandoned then the pit will be filled and concreted over. If a replacement pit is needed then a Mueller Thermal-Coil meter box or like product will be installed. It is the MUB goal to replace as many meter pits/manhole as possible.

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on February 11, 2009 at 8:00 a.m.

Board Members Present: Dale Morman and Bob Mechling. Also present: Superintendent Eric Tibbetts, City Manager David Boone, and City Council President Bernie Usera.

Absent: Dan Mayer.

The agenda was approved; Bob Mechling moved, Dale Morman seconded, which motion carried.

Bob Mechling moved to accept the minutes of the January 14, 2009 meeting, Dale Morman seconded, which motion carried.

Bills in the amount of \$61,207.67 were presented. Bob Mechling moved, Dale Morman seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$21,055.31
FICA	\$ 1,553.81
Retirement	\$ 1,263.33
Health	\$ 2,533.48
Dental	\$ 372.24
Life	\$ 48.48
Alltel	\$ 136.83
BH Power & Light	\$ 7,730.61
Knology	\$ 310.00
Verizon Wireless	\$ 59.64
Montana Dakota Utilities	\$ 135.87
Morrell, Candy	\$ 398.50
APWA Black Hills Branch	\$ 20.00
Best Western Pierre	\$ 95.99
Finance Office Petty Cash	\$ 13.00
Print Market	\$ 65.96
TASC	\$ 14.40
Arnold Luptack	\$ 37.22
A to Z Shredding	\$ 74.00
AW Direct	\$ 1,141.26
Birdsall Sand & Gravel	\$ 274.51

Brozs Engineering	\$ 8,160.00
Butler Machinery	\$ 1,508.11
Campbell Supply	\$ 114.17
CNA Surety	\$ 625.00
Credit Collections Bureau	\$ 58.79
Dakota Backup	\$ 119.10
David Noonan	\$ 41.70
Diesel Machinery, Inc.	\$ 674.62
Farmers Union Oil	\$ 470.69
Hach Company	\$ 107.42
Hawkins	\$ 799.80
HD Waterworks	\$ 270.43
Jacobsen Ford	\$ 847.80
J. Grubl Excavating	\$ 4,438.78
Jordan David	\$ 188.97
Johnstons Hardware	\$ 8.61
Kinzler, Gary	\$ 46.96
Midcontinent	\$ 120.00
Morman Law Office	\$ 1,485.10
One Call Systems	\$ 66.90
O'Reilly Auto	\$ 97.42
Owens	\$ 275.18
Pamidas	\$ 41.96
Rushmore Office	\$ 977.53
Servall	\$ 10.38
Spencer and Bonnie Paulso	\$ 45.00
Sturgis NAPA	\$ 5.69
Sturgis Yamaha	\$ 99.95
Sturgis Water Dept.	\$ 167.17
United States Post Office	\$ <u>2,000.00</u>
 TOTAL	 \$ <u>61,207.67</u>

Leo Schnell had requested an adjustment because of a freeze up resulting from a tenant move out. Bob Mechling moved to approve half the amount, Dale Morman seconded, which motion carried.

The Board discussed James Mason's service line break since the board had no further information on the matter Dale Morman moved, Bob Mechling seconded to table the matter, which motion carried.

The Board discussed a well #7 upgrade to 1100 gpm. Superintendent Tibbetts informed the Board it would cost approximately \$300,000 for the upgrade. Bob Mechling moved and Dale Morman seconded to approve, which motion carried.

Superintendent Tibbetts brings Storin Water Phase II issue to the Board which involves storm water runoff. The Water Board would be well equipped to take responsibility for the work as to the runoff program and after discussion Dale Morman moved and Bob Mechling seconded to approve, which motion carried.

Superintendent Tibbetts wants to utilize the EXP Work, Inc. program to train an operator which would be at no cost to the city. After discussion it was determined that the operator would not be a regular city employee unless hired at the end of training. President Morman requested that Superintendent Tibbetts get a copy of the contract and information to the H.R. person and then to get with attorney Hughes. Dan Mechling moved and Dale Morman seconded to approve that action, which motion carried.

The D.O.T. is requesting a water adjustment for a major leak, at this point the volume was unknown and the Board was simply given the information.

Year End Report was presented. Superintendent Tibbetts informed the Board that the metron meters are probably going to need to be switched out, otherwise the year end report was discussed and Dale Morman moved and Bob Mechling seconded to approve, which motion carried.

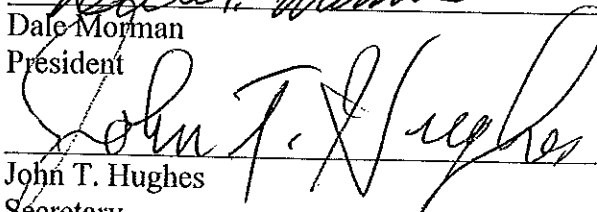
Council President Usera discussed rumors about petitions to abolish the Water Board and asked if anyone had come to the Board with concerns. The Board informed her that they had not. Council President Usera suggested updating water customers with progress of projects by use of such information on the water bill, which the Board felt was a point well taken.

Bob Mechling moved for Executive Session for legal and personnel and Dale Morman seconded, which motion carried. Discussion was had with regard to the Superintendent's job description and contract. Dale Morman moved to come out of Executive Session and Bob Mechling seconded, which motion carried.

Dale Morman moved and Bob Mechling seconded to have attorney Hughes get with Superintendent Tibbetts to work on the employment contract.

There being no further business the meeting was adjourned.


Dale Morman
President


John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on March 11, 2009 at 8:00 a.m.

Board Members Present: Dale Morman, Bob Mechling and Dan Mayer. Also present: Superintendent Eric Tibbetts.

Absent: None.

The agenda was approved; Bob Mechling moved, Dan Mayer seconded, which motion carried.

Bob Mechling moved to accept the minutes of the February 11, 2009 meeting, Dan Mayer seconded, which motion carried.

Bills in the amount of \$49,537.38 were presented. Bob Mechling moved, Dan Mayer seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$20,812.54
FICA	\$ 1,534.79
Retirement	\$ 1,248.75
Health	\$ 2,533.48
Dental	\$ 372.25
Life	\$ 48.48
Alltel	\$ 81.47
BH Power & Light	\$ 7,116.49
Butte Electric	\$ 183.60
Elan Financial	\$ 289.91
Holiday Inn Express	\$ 46.50
Knology	\$ 231.11
Montana Dakota Utilities	\$ 81.77
Morrell, Candy	\$ 398.80
City of Sturgis	\$ 102.00
Grant Writing USA	\$ 425.00
AGC Building	\$ 150.00
Broz Engineering	\$ 8,375.00
Campbell Supply	\$ 38.63
Chris Supply	\$ 105.60
Credit Collections Bureau	\$ 71.37
Diesel Machinery	\$ 318.50
Farmers Union Oil	\$ 305.37
Hawkins	\$ 125.00
HD Waterworks	\$ 1,008.54
Inland Truck Parts	\$ 11.31

Jacobsen Ford	\$ 611.80
Johnstons Hardware	\$ 60.69
Meade County Housing	\$ 43.00
Meade Co. Times	\$ 81.32
Midcontinent	\$ 258.00
Montana Dakota Utilities	\$ 999.51
Morman Law	\$ 743.40
One Call	\$ 17.60
O'Reilly Auto	\$ 17.44
Pamidas	\$ 32.97
Rushmore Office	\$ 263.89
Sam's Club	\$ 17.84
SD Rural Water	\$ 260.00
Servall	\$ 10.38
Short, Gram and Jennifer	\$ 44.85
Western SD Hydrology	\$ 55.00
Wetrich, Nikki	\$ <u>3.43</u>
TOTAL	<u>\$ 49,537.38</u>

James Mason requested that the board pay half of the \$670 excavation bill for his water leak given that quite a number of customers in Murray Addition had water leaks on their side of the main and were not reimbursed, after discussion the Board voted to deny. Dan Mayer moved, Bob Mechling seconded, to deny which motion carried.

Superintendent Tibbetts reported to the Board that contractors are not in compliance with the new policy regarding material for water lines, so his recommendation to the board is to revert back to copper only. Dan Mayer moved and Bob Mechling seconded to change the regulations and for Superintendent Tibbetts and attorney Hughes to review the regulation with regard to penalties for non-compliance.

Kay Glover had requested an adjustment for a leak on one of the rental properties. Dan Mayer moved and Bob Mechling seconded to grant one-half or \$44, which motion carried.

Superintendent Tibbetts reported that MUB staff had broken a curb stop at the residence of Jean and Charlie Jones. Dan Mayer moved and Bob Mechling seconded for the Board to replace the curb stop, which motion carried.

Kevin Forrester Chief of Maintenance for Meade County addressed the Board regarding the Erskine and Primary Buildings which have recently been purchased by Meade County. Kevin explained to the Board that at the Erskine Building just the boiler is being run on the 1" line. After discussion the Board voted to charge only the minimum for a 1" line until the City building official issues a certificate of occupancy. Dan Mayer moved and Bob Mechling seconded, which motion carried.

Dan Mayer moved and Bob Mechling seconded to go into Executive Session to discuss personnel issues, which motion carried. After discussion, Dan Mayer moved and

Bob Mechling seconded to come out of Executive Session, which motion carried. The Board had discussed the Superintendent's proposed employment contract and needs revision of the agreement with the addition of a starting and ending date and a recital under duties for such other duties as the Board would designate and to coordinate the same with employee's handbook for department heads. Attorney Hughes was directed to draft a new contract and get it to all members before the next meeting. Dan Mayer moved and Bob Mechling seconded for those changes, which motion carries.

Because the information was not yet available at meeting time from Brosz Engineering for the Lazelle water main project, Bob Mechling moved and Dan Mayer seconded to recess the meeting until Friday afternoon, March 13, at 2:30 p.m. at which time the Board can review the documents. That motion carried.

The Board resumed its session at 2:30 p.m. on Friday March 13, 2009.

Board Members Present: Dale Morman and Dan Mayer. Also present: Superintendent Eric Tibbetts and David Jagim of Brosz Engineering, Inc.

Absent: Bob Mechling.

The MUB members reviewed the State Water Plan Application Form and the Supplemental Report from Brosz Engineering, David Jagim gave the Board an overview of the Application Form and the Supplemental Report from Brosz Engineering, which is on file at the City MUB Office.

Superintendent Tibbetts emphasized that by signing this application for available funding from the State that said signing does not obligate the MUB to spend any funds, but it simply potentially qualifies the Board for funding assistance should the same become available. After discussion, Dan Mayer moved and Dale Morman seconded to submit the application to the State, which motion carried.

There being no further business the meeting was adjourned.

Dale Morman
President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on April 8, 2009 at 8:00 a.m.

Board Members Present: Dale Morman, Bob Mechling and Dan Mayer. Also present: Superintendent Eric Tibbetts, Mayor Maury LaRue, City Manager Dave Boone, and City Council Person Bernie Usera.

Absent: None.

The agenda was approved; Bob Mechling moved, Dan Mayer seconded, which motion carried.

Bob Mechling moved to accept the minutes of the March 12, 2009 meeting, Dan Mayer seconded, which motion carried.

Bills in the amount of \$49,723.17 were presented. Bob Mechling moved, Dan Mayer seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$22,752.25
FICA	\$ 1,683.20
Retirement	\$ 1,358.23
Health	\$ 2,675.23
Dental	\$ 386.05
Life	\$ 51.33
Alltel	\$ 90.21
BH Power & Light	\$ 8,049.03
Butte Electric	\$ 367.20
City of Sturgis Water Department	\$ 51.00
Civic Plus	\$ 1,358.74
Elan Financial	\$ 263.38
Print Market	\$ 66.63
Ikon Office Solutions	\$.08
Knology	\$ 233.88
Montana Dakota Utilities	\$ 118.14
Morrell, Candy	\$ 398.80
Verizon Wireless	\$ 119.28
Campbell Supply	\$ 17.14
Caselle	\$ 886.00
Credit Collections Bureau	\$ 34.90
Dakota Backup	\$ 126.00
Farmers Union Oil	\$ 642.88
G & H Distributing	\$ 155.73
Golden, Garvon	\$ 43.22

Hawkins	\$ 1,545.36
HD Waterworks	\$ 1,335.70
Hersruds	\$ 3,312.79
Holiday Inn	\$ 139.50
Johnstons Hardware	\$ 12.15
Lynns Dakotamart	\$ 2.39
Meade County Times	\$ 48.99
Morman Law Office	\$ 668.00
One Call Systems	\$ 28.60
Owens	\$ 37.04
Pamidas	\$ 32.48
Rapp Sales	\$ 35.00
Robert Woodson	\$ 41.67
Rushmore Office Supply	\$ 274.20
Sand Creek Printing	\$ 53.25
SD Federal Agency	\$ 32.00
Servall	\$ 15.57
Solaas, Diane	\$.42
Western Mailers	\$ 179.53
TOTAL	<u>\$ 49,723.17</u>

Helen Miller had requested an adjustment on her water bill for an overrun occasioned by water softener problems. Dan Mayer moved and Bob Mechling seconded to pay one-half or \$20.00, which motion carried.

The silent auction and soup extravaganza for the Future Sturgis organization had requested an auction item of one free month of service up to the minimum from the Water Board. Dan Mayer moved and Bob Mechling seconded to approve, which motion carried.

The Board discussed the 5.5 acres behind well house #3 to be possibly turned over to the City. The Board discussed the matter and it was explained that the Board would need either to plat out the draw immediately behind the well house or obtain an easement across the lot for water flushing. The Board voted to plat the lot with the understanding that the City Council would have to approve the plat. Dan Mayer moved and Bob Mechling seconded to approve the platting, which motion carried.

The Murray Addition project was discussed and Superintendent Tibbetts informed the Board that the meeting with the residents of Murray Addition is Wednesday April 22, 2009 at 6:30 p.m. at the Community Center. After discussion the Board voted to wait until the meeting with the residents of Murray Addition before putting the project out for bid.

Superintendent Tibbetts requested that the Board approve a service agreement with Computer Shop Inc for emergency computer service when needed, as it was pointed out that immediate service from Computer Shop Inc is normally available when needed. Bob Mechling moved and Dan Mayer seconded to approve, which motion carried.

Superintendent Tibbetts requested storm water markers for the City which would cost \$2.25 a piece for aluminum markers, \$4.05 a piece for stainless steel. After discussion the Board approved the purchase of 100 aluminum markers in the amount of \$225.00. Dale Morman moved and Dan Mayer seconded to approve, which motion carried.

Superintendent Tibbetts reported that the repair bill on the water department's snow mobile was \$3,405.46. Dale Morman moved and Dan Mayer seconded to approve, which motion carried.

Ft. Meade had requested that their water charges be charged at City rates. After discussion Dan Mayer moved and Bob Mechling seconded to approve, which motion carried.

The Board discussed the Lazelle Street project, the inquiry was made regarding what happened that the project came off the list. City Manager Boone reported that the project didn't come off the list but was pushed back to 2013.

There being no further business the meeting was adjourned.

Dale Morman
President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Special Municipal Utility Board held on May 4, 2009 at 10:00 a.m.

Board Members Present: Dale Morman, Bob Mechling and Dan Mayer. Also present: Superintendent Eric Tibbetts, City Attorney Candi Thomson, City Manager Dave Boone, Community Development Director Rick Bush, Ted Schultz from CETEC and Greg Craig from CETEC.

Absent: None.

The Board met for the specific purpose of discussing current water storage capacity. Superintendent Tibbetts and Ted Schultz of CETEC informed the Board that we are turning over our storage capacity every $\frac{1}{4}$ of a day and that to be on the safe side the Board needs to allow for a good producer well to be down for any length of time. \

The Board then discussed where to put further storage tanks. Superintendent Tibbetts informed the Board that Terry Glover was willing to allow storage tanks on his land on the east side of town but the elevation was not sufficiently high.

In the course of the discussion, the Board felt that, irrespective of annexation that the storage capacity needs to be enhanced. Greg Craig informed the Board that it would be less feasible to go ahead with the annexation if the Board couldn't tie in with the Ft. Meade system. Ted Schultz reminded the Board that the stimulus deadlines are in June and the estimated cost of the full study including all water facilities is about \$20,000. The Board asked whether the study could be done by the May 13, 2009 meeting and was informed that it could. Dan Mayer moved, Bob Mechling seconded to approve the study, including the storage, and the Chairman reminded the Board that we need to get a committee together to meet with Ft. Meade on the water system and it was recommended that David Boone and Dan Mayer be on the committee.

There being no further business the meeting was adjourned.

Dan Mayer
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on May 13, 2009 at 8:00 a.m.

Board Members Present: Dale Morman, Bob Mechling and Dan Mayer. Also present: Superintendent Eric Tibbetts, City Council President Bernie Usera, Council Member Mark Chaplin, City Manager David Boone, Community Development Director Rick Bush, Dave Jagim from Brosz Engineering, Blaise Emerson from Black Hills Council of Government.

Absent: None.

The agenda was approved, Dan Mayer moved, Bob Mechling seconded, which motion carried.

Dan Mayer moved to accept the minutes of the April 8, 2009 meeting, Bob Mechling seconded, which motion carried.

Bills in the amount of \$61,205.57 were presented. Dan Mayer moved, Bob Mechling seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$24,232.74
FICA	\$ 1,796.45
Retirement	\$ 1,453.99
Health	\$ 2,646.88
Dental	\$ 383.30
Life	\$ 50.76
Alltel	\$ 83.39
BH Power & Light	\$ 8,283.88
The Computer Shop	\$ 4,250.00
Eagle Sales	\$ 26.25
Elan	\$ 80.68
Print Market	\$ 147.09
Knology	\$ 236.71
Montana Dakota Utilities	\$ 90.49
Morrell, Candy	\$ 398.80
Rushmore Office Supply	\$ 167.00
Verizon Wireless	\$ 227.40
Almetek Industries	\$ 449.65
Armstrong Extinguisher	\$ 45.00
Brosz Engineering	\$ 4,090.00
Campbell Supply	\$ 50.37
Can	\$ 262.50
Credit Collections Bureau	\$ 69.47

Cristy Schaffan	\$ 0.81
Diesel Machinery	\$ 650.99
Ecolab	\$ 75.00
Farmers Union Oil	\$ 535.71
Freemans Electric	\$ 900.00
Grimms Pump & Industrial	\$ 690.62
Hawkins Inc	\$ 60.00
JJS Technical Service	\$ 816.63
Johnstons Hardware Hank	\$ 9.97
Lynns Dakota Mart	\$ 2.19
Wade Mackey	\$ 100.00
Meade County Times	\$ 156.32
Midcontinent Labratories	\$ 141.00
Morman Law	\$ 1,567.39
One Call Systems	\$ 73.70
Pamidas	\$ 18.99
Rushmore Office	\$ 298.31
SD Federal Property Agency	\$ 23.50
Servall	\$ 10.38
Sturgis Water Department	\$ 145.63
Sturgis Yamaha	\$ 3,405.63
United States Post Office	\$ <u>2,000.00</u>
 TOTAL	 \$ <u>61,205.57</u>

Ted Shultz of Cetec Engineering Services, Inc. gave the Board a presentation on the proposed study of the Sturgis Municipal Water System in the amount of \$24,000.00 Dan Mayer moved, Bob Mechling seconded to authorize Chairman Morman to sign the contract, which motion carried.

Superintendent Tibbetts informed the Board that it would be in the interest of the Board to share in the security system upgrade with the Library which would cost the Board \$1,000.00. Dan Mayer moved to approve, Bob Mechling seconded, which motion carried.

Rick Bush presented a plat survey of the Well #3 lot and after considerable discussion the Board had previously made it known that the small draw on the south and west sides immediately adjacent to the fenced well lot needed to be retained by the Water Board for orderly flushing of the well. The new plat does not contemplate the Board retaining control of that land and consequently the Board informed Attorney Hughes to request from Rick Bush and City Manager David Boone the plan for drainage of that lot as a consequence of flushing the well because of liability concerns. Dan Mayer as a member of the SEDC is also concerned about liability issues as a consequence of flushing the well. Dan Mayer moved, Bob Mechling seconded to authorize Attorney Hughes to send the memo, which motion carried.

Dave Jagim discussed facilities planned for the Murray Addition from Brosz Engineering. Dan Mayer moved, Bob Mechling seconded to authorize the go ahead, which motion carried.

Dan Mayer moved and Bob Mechling seconded to go into Executive Session to discuss personnel issues, which motion carried. After discussion, Dan Mayer moved and Bob Mechling seconded to come out of Executive Session, which motion carried.

There being no further business the meeting was adjourned.

Dan Mayer
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on June 10, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling and Dan Mayer. Also present: Superintendent Eric Tibbetts, City Manager David Boone, Community Development Director Rick Bush, and Blaise Emerson from Black Hills Council of Government.

Absent: None.

The agenda was approved, Dan Mayer moved, Bob Mechling seconded, which motion carried.

Dan Mayer moved to accept the minutes of the May 4, 2009 special meeting and the minutes of the May 13, 2009 meeting, Bob Mechling seconded, which motion carried.

Bills in the amount of \$79,793.52 were presented. Dan Mayer moved, Bob Mechling seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$33,460.33
FICA	\$ 2,502.39
Retirement	\$ 207.63
Health	\$ 2,646.88
Dental	\$ 383.30
Life	\$ 50.76
Alltel	\$ 494.75
BH Power & Light	\$ 7,465.08
Butte Electric	\$ 183.60
City of Sturgis Water Dept	\$ 51.00
Dakota Backup	\$ 50.44
Double Star Computing	\$ 28.24
Elan	\$ 33.67
First Interstate Bank	\$ 45.00
First National Bank	\$ 6,854.65
First National Bank	\$13,200.00
Knology	\$ 438.34
Montana Dakota Utilities	\$ 24.06
Morman Law Firm	\$ 456.00
Morrell, Candy	\$ 398.80
American Solutions	\$ 1,050.63
Brosz Engineering	\$ 2,360.00
Chris Supply	\$ 105.60
Dakota Backup	\$ 64.74

Department of Revenue	\$ 2,200.00
Farmers Union Oil	\$ 550.93
G & H Distributing	\$ 256.04
Hawkins Inc	\$ 1,985.70
HD Waterworks	\$ 590.64
Maude Soderquist	\$ 43.00
Meade County Times	\$ 42.64
Midcontinent Laboratories	\$ 153.00
Morman Law Firm	\$ 761.06
M & T Fire and Safety	\$ 155.55
One Call Systems	\$ 111.10
Pamidas	\$ 94.56
Rapp Sales	\$ 35.00
Rocking Tree	\$ 70.00
Rushmore Office Supply	\$ 105.66
SD Federal Property Agency	\$ 17.50
Servall	\$ 10.38
Sturgis NAPA	\$ 19.47
Vernon Manufacturing	\$ 35.50
TOTAL	<u>\$ 79,793.52</u>

The Water Budget in the amount of \$1,396,956.00 was discussed and approved with Bob Mechling moving and Dan Mayer seconding, which motion carried.

The Board next discussed the percentage of the street cost for the Murray Sewer and Water Project. After discussion, Bob Mechling moved and Dan Mayer seconded for the MUB to pay 50% of the costs, which motion carried.

Maude Soderquist requested a water adjustment due to a leak, half of which would amount to \$20.00. Dan Mayer moved and Bob Mechling seconded to approve, which motion carried.

Linda Wilson requested a water adjustment having discovered a leak. Dan Mayer moved, Bob Mechling seconded to approve a 50% adjustment, which motion carried.

Superintendent Tibbetts informed the Board that Bev Johnson will manage the Water Department during his absence for medical reasons.

Due to the untimely death of Dale Morman the Board discussed requesting that the Mayor appoint a new member to the Board. Dan Mayer moved and Bob Mechling seconded to recommend Jim Schroeder to the Mayor, which motion carried.

Comments and questions were requested for the Drinking Water SRF loan application to the DENR. No comments or questions were received.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on July 15, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling, Dan Mayer, and new member Ken Sabers. Also present: Water Superintendent Eric Tibbetts, City Council President Bernie Usera, Council Member Dane Sundstrum, City Manager David Boone, Community Development Director Rick Bush, Nort Johnson from Sturgis Economic Development Corporation.

Absent: None.

The agenda was approved, Dan Mayer moved, Ken Sabers seconded, which motion carried.

Dan Mayer moved to accept the minutes of the June 10, 2009 meeting, Ken Sabers seconded, which motion carried.

Bills in the amount of \$56,942.09 were presented. Dan Mayer moved, Ken Sabers seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$23,009.17
FICA	\$ 1,702.86
Retirement	\$ 1,380.57
Health	\$ 2,646.88
Dental	\$ 383.29
Life	\$ 50.76
BH Power & Light	\$ 9,871.23
Butte Electric	\$ 610.47
Sturgis Water Department	\$ 102.00
Double Star Computing	\$ 748.00
First Interstate Bank	\$ 59.50
Dakota Backup	\$ 59.01
Elan	\$ 70.60
Knology	\$ 237.41
Montana Dakota Utilities	\$ 17.70
Candy Morell	\$ 398.80
Neil Murray	\$ 250.00
Print Market	\$ 122.48
Progressive Business Pub	\$ 5.25
Verizon Wireless	\$ 705.50
American Water Works	\$ 447.00
Anderson, Larry	\$ 16.29
Brosz Engineering	\$ 2,272.50

Campbell Supply	\$ 3.89
Casselle	\$ 1,081.00
Diesel Machinery	\$ 2,048.96
Farmers Union Oil	\$ 815.28
Hawkins	\$ 120.00
HD Supply Waterworks	\$ 3,845.61
Ireland, Ron and Thesa	\$ 16.70
Jackley & Flint	\$ 49.00
Johnstons Hardware Hank	\$ 3.99
Jolley, Nathan	\$ 43.00
Juneks	\$ 564.65
Meade County Times	\$ 5.92
Midcontinent Lab Testing	\$ 1,304.50
Morman Law Office	\$ 827.10
Northwest Pipe Fitting	\$ 398.89
One Call Systems	\$ 102.30
Pamidas	\$ 47.22
Rocking Tree Floral	\$ 58.00
Servall	\$ 10.38
Snyder, Don	\$ 3.00
Solsbery, Loretta	\$ 47.00
Sturgis NAPA	\$ 15.43
TTG Enterprises, Inc	\$ 363.00
TOTAL	<u>\$ 56,942.09</u>

Community Development Director Rick Bush appeared before the Board to explain that his department is getting a new GIS System and believes that it will be advantageous to the Municipal Utility Board for locating purposes and data storage. He requested from the Board \$26,000 for his department which is the same amount that the Board budgeted for one third of City Engineers salary when Bob Kaufman was City Engineer. During a discussion Acting Chairman Bob Mechling observed that although the Municipal Utility Board contributed \$26,000 for the City Engineers salary, the Board didn't have any input on whether or not the City Engineer was hired or fired. Acting Chairman Mechling requested to be kept in the loop of information and was assured by City Manager David Boone that this would be the case. After considerable discussion, Dan Mayer moved to add \$26,000 to the Community Development Budget for one year to see how it works, Bob Mechling seconded, which motion carried.

Colonel Brist requested a water adjustment as did Ron and Diane Johnson. Mr. Brist adjustment amounted to \$6.00 for 50% and Johnson's for \$215.00 for 50%. Dan Mayer moved, Ken Sabers seconded to approve, which motion carried.

Superintendent Eric Tibbetts requested permission to go to the sick bank for his upcoming treatment and recovery. Ken Sabers moved, Dan Mayer seconded to approve, which motion carried.

Superintendent Tibbetts informed the Board and the Council Members present that the CETEC study would be coming out and would be possibly be available on Monday July 20. Council President Usera requested a copy and Superintendent Tibbetts informed the group that all council members would have a copy of the preliminary study in their boxes as soon as it is available. City Manager Boone cautioned against placing credibility in the study if it differs from the 2006 CETEC study. Mr. Boone was informed that the 2006 study pre-supposed that the Ft. Meade system would be utilized in the event of annexation to the east. This has been stressed several times by the CETEC staff and Superintendent Tibbetts observed that if the City Manager and City Council are not satisfied with the CETEC study then council could fund a separate study.

Nort Johnson of SECD informed the group regarding progress with the Well #3 lot as far as economic development and emphasized that should a new well be needed in that area, that SECD would cooperate to the fullest. The group was informed that a public hearing for MUB funding and to review the CETEC study was set for July 22 at 8 a.m. in the main conference room at City Hall.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

**MINUTES OF THE
MUNICIPAL UTILITY BOARD**

Minutes of the Sturgis Special Municipal Utility Board Public Hearing for SRF held on Wednesday July 29, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling, Acting Chairman, and Dan Mayer. Also present: Superintendent Eric Tibbetts, Blaise Emerson of Black Hills Council of Local Governments.

Absent: Ken Sabers

The purpose for the meeting was for a Public Hearing for input with regard to the South Dakota Revolving Fund for the purpose of funding the Murray Addition Water Project. The Sturgis Municipal Utility Board had previously approved pledging water revenue for security for the loan. No members of the public attended for comment.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

**MINUTES OF THE
MUNICIPAL UTILITY BOARD**

Minutes of the Municipal Utility Board held on August 12, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling and Dan Mayer. Also present: Water Superintendent Eric Tibbetts, City Council President Bernie Usera, City Manager David Boone, and Mayor LaRue.

Absent: Ken Sabers

The agenda was approved, Dan Mayer moved, Bob Mechling seconded, which motion carried.

Dan Mayer moved to accept the minutes of the July 15, 2009 meeting, Bob Mechling seconded, which motion carried.

Bills in the amount of \$84,513.91 were presented. Dan Mayer moved, Bob Mechling seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
PAID TO:	AMOUNT
SALARIES.....	\$22,846.96
OASI/FICA	\$ 1,690.46
RETIREMENT.....	\$ 1,370.83
HEALTH.....	\$ 2,646.88
DENTAL.....	\$ 383.29
LIFE.....	\$ 50.75
BH POWER AND LIGHT.....	\$11,608.01
KNOLOGY	\$ 236.42
MONTANA DAKOTA UTILITIES.....	\$ 13.92
DAKOTA BACKUP.....	\$ 63.12
JULIE FISCHER.....	\$ 250.00
BEV JOHNSON.....	\$ 250.00
CANDY MORRELL.....	\$ 398.80
ALMETEK INDUSTRIES.....	\$ 107.76
BROSZ ENGINEERING.....	\$ 1,720.00
CAMPBELL SUPPLY.....	\$ 20.30
CETEC ENGINEERING	\$19,200.00
CHRIS SUPPLY	\$ 87.80
ECOLAB PEST ELIMINATION	\$ 329.50
FARMERS UNION	\$ 655.99
G&H DISTRIBUTION	\$ 433.47

HAWKINS	\$ 4,114.54
HD SUPPLY WATER WORKS.....	\$ 1,700.07
J. GRUBL EXCAVATING.....	\$ 1,924.49
JOHNSTON'S HARDWARE.....	\$ 12.47
MCDONALD SUPPLY	\$ 201.98
MEADE CO TIMES	\$ 34.12
MENARDS	\$ 79.72
MERLE OR GINA WEYER.....	\$ 36.12
MIDCONTINENT LABORATORIES	\$ 165.00
MORMAN LAW OFFICES	\$ 405.78
NORTHWEST PIPE FITTINGS	\$ 8,795.92
ONE CALL SYSTEMS	\$ 68.20
O'REILLY AUTO PARTS	\$ 45.36
PAMIDAS	\$ 79.90
RAPID CITY JOURNAL	\$ 8.12
RUSHMORE OFFICE SUPPLY	\$ 146.93
SENSUS	\$ 1,320.00
SERVALL	\$ 10.38
STURGIS NAPA	\$ 1.69
TOWN-N-COUNTRY	\$ 10.46
ZYLSTRA AUTO BODY.....	\$ 988.40
	<u>\$84,513.91</u>

CeTec presented its report on the Sturgis Softball Field well which was primarily presented by Ted Schultz. The well is not presently licensed under State Water Right Permit and Superintendent Tibbetts is sending in the application. Mr. Schultz reported that well pump motor on the irrigation well is a small 1 horsepower type with no drop pipe, no pitless adaptor and single phase power. The well house is badly water damaged and there is a leaking wellhead connection. A powerpoint presentation was made by the CeTec representative and it was pointed out that the water quality for iron/manganese is extremely poor and not recommended for use as a drinking water without extensive treatment. The final recommendation was to leave the well as an irrigation well for the recreational fields. The total estimated costs, including treatment necessary to make the water potable, was \$685,000.00.

The agenda item as to no cell phones, texting, e-mails, or checking messages during MUB meetings was carried over to Monday, August 17, 2009 for the continued meeting.

The water adjustment for the Leo Fuerbach Estate was presented and Bob Mechling moved, Dan Mayer seconded to approve 50% which amounted to \$16.00.

City Manager Boone had requested that the MUB take charge of storm water violations. Bob Mechling moved, Dan Mayer seconded to cooperate in the enforcement which motion carried.

The rate adjustment during Rally months items was carried over to Monday, August 17, 2009.

There being no further business the meeting was carried over.

Bob Mechling
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on August 17, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling and Dan Mayer. Also present: Water Superintendent Eric Tibbetts, City Council President Bernie Usera, City Manager David Boone and Mayor LaRue.

Absent: Ken Sabers

The agenda item number 5 from the August 12, 2009 meeting being prohibiting use of cell phones, texting, e-mails, or checking messages during MUB meetings was presented and after discussion, Bob Mechling moved, Dan Mayer seconded to approve the prohibition, which motion carried.

The rate adjustment during Rally months was discussed but no action was taken.

The Board next discussed the Fort Meade Soft Ball Fields irrigation well and Mayor LaRue pointed out that he felt that there would be considerable commercial growth East on 34. Mayor LaRue and City Manager Boone pointed out that the tax revenues, which includes sales tax and property tax, for the area proposed to be annexed amounted to approximately \$240,000.00. Acting Chairman Mechling pointed out that the existing infrastructure of the MUB needs work and that 3 of the wells are 45 years or more old. Dan Mayer remarked that he is not comfortable with the figures which would be required of the Board for annexation of the East 34 area and that he felt that the Board should not proceed until Ken Sabers is present so that the full Board can take action. No action was therefore taken as to the proposed annexation resolution.

Dan Mayer moved, Bob Mechling seconded for executive session as to personnel issues, which motion carried. After discussion, Dan Mayer moved, Bob Mechling seconded to come out of executive session. The Board was informed that Superintendent Tibbetts will be undergoing radiation treatment everyday for 6 weeks and he asked for additional leave to go to San Diego, California for the Thanksgiving Holiday. The Board decided to take the matter under advisement and ask the Board's Attorney to check whether compensation time will be available. Members Mechling and Mayer, Superintendent Tibbetts and Board Attorney John Hughes agreed to attend the Council meeting that evening for the CeTec presentation on the infrastructure.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on September 9, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling, Dan Mayer, and Ken Sabers. Also present: Water Superintendent Eric Tibbetts, City Council Member Mark Chaplin, City Manager David Boone and Mayor Maury LaRue.

Absent: None

The agenda was approved, Dan Mayer moved, Ken Sabers seconded, which motion carried.

Dan Mayor moved to accept the minutes of the August 12, 2009, and continued August 17, 2009, meetings, Ken Sabers seconded, which motion carried.

Bills in the amount of \$55,351.40 were presented. Dan Mayor moved, Ken Sabers seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$22,362.35
FICA	\$ 1,654.01
Retirement	\$ 1,341.74
Health	\$ 2609.27
Dental	\$ 376.42
Life	\$ 50.00
Brosz Engineering	\$ 9,710.00
Campbell Supply	\$ 13.95
Caselle, Inc.	\$ 1081.00
CBH Cooperative	\$ 677.86
Cetec Engineering	\$ 3657.50
Credit Collections Bureau	\$ 317.72
Deberg, Nikki	\$ 43.83
G&H Distributing	\$ 160.14
Hawkins	\$ 45.00
HD Waterworks	\$ 4892.53
Johnstons Hardware Hank	\$ 3.68
KT Connections	\$ 1000.00
Lynns Dakota Mart	\$ 16.35
Meade County Times	\$ 31.73
Midcontinent Laboratories	\$ 549.00
Morman Law Firm	\$ 1487.50
Northwest Pipe Fittings	\$ 376.76

Oreilly Auto Parts	\$ 7.98
Oscar Davidson Estate	\$ 80.27
P&P Enterprises	\$ 415.00
Pamida	\$ 49.14
Rushmore Office Supply	\$ 199.33
Servall	\$ 15.57
Sturgis Napa	\$ 11.96
Sturgis Water Dept Petty	\$ 91.69
Sutton, Rita	\$ 22.12
Us Post Office	\$ 2000.00
TOTAL	<u>\$ 55351.40</u>

Water adjustments were requested by the Meade County School District in the amount of \$724.00 and Eunice Peck in the amount of \$74.00. Ken Sabers moved to approve ½ of the Meade School District in the amount of \$362.00, and Eunice Peck in the amount of \$37.00. Dan Mayer seconded which motion carried.

Acting President Mechling signed the Ceteck Engineering Contract for two years which had previously been approved.

The Ceteck Engineering estimate for 2010 - 2011 water system project was carried over to the next meeting, as Ceteck personnel were unable to attend the meeting.

The contract for Murray Addition Water Project has been awarded to Excel Excavation. Dan Mayer moved to approve, Ken Saber seconded to approve, which motion carried.

Superintendent Tibbets requested the Boards approval for Julie Fischer to attend the Caselle conference for proficiency on the system at a cost of \$770.00. Dan Mayor moved, Ken Sabers seconded to approve, which motion carried.

For the board's information, Superintendent Tibbets informed the board that Russ Scheckel has given notice of resignation.

Dan Mayor nominated Bob Mechling for President of the Municipal Utilities Board, seconded by Ken Sabers which motion carried.

President Mechling noted that eventually water rates will have to be adjusted as Superintendent Tibbets informed the board that Ceteck will cover this issue at the next MUB meeting. Councilmen Mark Chaplin also requested for Counsel Hughes to check the ordinance regarding water rates to determine whether the same needs to be amended.

Superintendent Tibbets informed the board that he and Dan Mayor have arranged to meet with Ft. Meade CEO, Peter Henry and the engineering staff at Ft. Meade

regarding water needs. Mayor Larue requested that the city have representatives there as well.

Mayor Larue, citing South Dakota Codified Laws 9-47-1, informed the board of his belief that the city council has the responsibility for the cost of water improvements and the water board would simply maintain said improvements. This statement was made in the context of the still possible annexation along Highway 34, east of the city. Board counsel, John Hughes, informed the board that he desired to review all the statutes relating to water board powers and responsibilities. Mayor LaRue and City Manager David Boone informed the Board that Belle Fourche Attorney Dwight Gubbrud would be representing the city regarding annexation issues.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on October 14, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling, Dan Mayer, and Ken Sabers. Also present: Water Superintendent Eric Tibbetts, City Council President, Bernie Usera, Ted Schultz of CETEC Engineering, Blaise Emerson of Black Hills Council of Local Governments, Don Chord Jr., Board Member Bear Butte Valley Water Inc., Matt Oedekoven, Engineer for Bear Butte Valley Water Inc., City Manager David Boone and Community Development Director, Rick Bush.

Absent: None

The agenda was approved, Ken Sabers moved, Bob Mechling seconded, which motion carried.

Ken Sabers moved to accept the minutes of the September 9, 2009, Bob Mechling seconded, which motion carried.

Bills in the amount of \$78,644.30 were presented. Ken Sabers moved, Bob Mechling seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$22,389.00
FICA	\$ 1655.43
Retirement	\$ 1,343.36
Health	\$ 2646.88
Dental	\$ 383.30
Life	\$ 50.76
Black Hills Power	\$ 23973.79
Knology	\$ 475.35
City of Sturgis Water Dept	\$ 236.00
Montana Dakota Utilities	\$ 26.17
Candy Morrell	\$ 797.60
Print Market	\$ 136.88
Verizon Wireless	\$ 393.57
Butte Electric	\$ 183.60
KT Connections	\$ 1000.00
Dakota Backup	\$ 70.35
First Interstate Bank	\$ 47.50
Bob Gray	\$ 40.45
Brosz Engineering	\$ 5792.50

Campbell Supply	\$ 479.95
CBH Cooperative	\$ 656.97
CETEC	\$ 1558.00
Chris Supply	\$ 87.80
Credit Collections Bureau	\$ 9.34
Diesel Machinery	\$ 46.73
G&H Distributing	\$ 74.46
Hanson Enterprises	\$ 3734.50
Hach Company	\$ 127.51
Hawkins	\$ 2274.42
HD Waterworks	\$ 1865.47
John Murphy	\$ 2.17
Johnstons Hardware	\$ 5.89
Key City Rentals	\$ 57.84
Meade County Times	\$ 93.90
Midcontinent Laboratories	\$ 1265.10
Northern Hills Electric	\$ 171.36
One Call Systems	\$ 158.40
Owens Intestate Sales	\$ 72.96
Pamida	\$ 23.96
Prairie Industries	\$ 90.95
Rushmore Office Supply	\$ 407.98
Sams Club	\$ 254.67
SD Federal Property	\$ 158.00
Servall	\$ 10.20
Short Construction	\$ 3299.70
Sturgis NAPA	\$ 13.58
 TOTAL	 <u>\$ 78644.30</u>

Abdollah and Faraz Farrokhi have a water leak on their property at 8th and Lazelle. Superintendent Eric Tibbets informed the board that the leak was Farrokhi's responsibility pursuant to 2.12 of the Municipal Utility Board Regulations. Farrokhi's insisted that they fell under the former provision of section 2.12 and that the responsibility for the leak belonged to the City. The Board refused to grandfather any such situation. Bob Mechling moved, Ken Saber seconded to deny the request, which motion carried.

Ted Schultz from CETEC Engineering explained the proposed upgrades to the water system and provide the Board with the results of his study, wherein it will be recommended that the board increase the water rates to keep up with the system needs and the constantly raising costs of the materials, utilities, and needed improvement. The board took the recommendations under advisement.

Board attorney, John T. Hughes, reported to the board that the resolution for drinking water facilities improvements involving the Murray water project was still being reviewed by Bond Counsel and would advise the board when this was resolved.

Superintendent Tibbets had been informed by the State that Well #7 was not permitted correctly and resubmitted the application which at a cost of \$1150.00. Ken Sabers moved, Dan Mayer seconded to approve the costs, which motion carried.

For the Board's information, Superintendent Tibbets advised that Judson Crowser had been hired at full time and will train with Russ Scheckel until the end of the year.

The Mother Board is going out of Julie Fischer's computer and it appears it will be necessary to order a new computer from The Computer Shop.

Dr. John Ismay of the Sturgis Veterinarian Hospital asked for a water adjustment because of a leak which had apparently occurred some time ago. After discussion, the board approved 50% off for the month of July only. Ken Sabers moved, Dan Mayer seconded, which motion carried.

The write-off deposit refunds were discussed in the amount of \$523.26, Dan Mayer moved, Ken Sabers seconded to write off the deposits, which motions carried.

Matt Oedekoven, Engineer for Bear Butte Valley Water Inc., discussed the Corporations plans to form a rural water company for the area east of town as far as the Belle Fourche River, north to the Butte County line, and south including the area around Tilford. The Board anticipates beginning with approximately 150 users and expresses an interest in purchasing water from the MUB. The Corporation is in its formative stages and the Board will be in touch with the MUB.

The Board agreed to hold its next meeting on Tuesday, November 10th, because of the Veteran's Day Holiday on November 11th.

Community Development Director, Rick Bush, informed the Board that the GIS position should be filled some time in November.

There being no further business the meeting was adjourned.

Bob Mechling
President

John T. Hughes
Secretary

**MINUTES OF THE
MUNICIPAL UTILITY BOARD**

Minutes of the Special Municipal Utility Board held on October 20, 2009 at 9:00 a.m.

Board Members Present: Bob Mechling and Dan Mayer. Also present: Water Superintendent Eric Tibbetts.

Absent: Ken Sabers

The meeting was for discussion of the proposed resolution number one of the board requesting the issuance of bonds for the Murray Addition Water Project which requests the City Council to approve the financing via a loan from the South Dakota Drinking Water State Revolving Fund Loan Program, pursuant to SDCL 46A-1-49;

After discussion, Dan Mayer moved, Bob Mechling seconded to approve the proposed resolution requesting approval of up to \$863,000.00 for the project, which motion carried.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

EXHIBIT A

IMPROVEMENTS

The Murray Addition Water Improvements will replace and upgrade the water lines throughout the addition.

EXHIBIT B

[FORM OF] CITY RESOLUTION

RESOLUTION NO 2D10-A1

A RESOLUTION PROVIDING FOR A SURCHARGE FOR IMPROVEMENTS TO DRINKING WATER SYSTEM, FOR PAYMENT OF REVENUE BOND AND YEARLY REVIEW OF RATE

1. Surcharge for Bond Issue. There shall be charged a monthly surcharge for the services provided by the improvement financed by the Borrower Bond, Series 2009. The surcharge shall be segregated from other revenues of the utility and shall be used for the payment of the revenue bonds. Provided that such surcharge shall create net income, remaining from time to time after first paying all reasonable and current expenses of maintenance, repairs, replacements and operation, sufficient to fund interest, reserve and debt service fund annual requirements.
2. Rates and collection. The Utility Board does hereby establish the special charge or surcharge payable by each customer of its System who receives or benefits from the services of the Project. Such charge or surcharge shall be set at a level which, assuming a 10% delinquency rate, will produce income at the times and in amounts sufficient to pay when due the principal of and interest on the Borrower Bond, Series 2009 and the administrative expense surcharges and all other payments as may be required under the loan agreement and Borrower Bond, Series 2009.
3. Borrower Bond, Series 2009 Surcharge. The following water debt service surcharge shall be applicable to all customers who benefit from the Project whether in or out of the city or whether retail or sales or resale:

1.66¢/GAL

Borrower Bond (Drinking Water) Series 2009 Surcharge: \$ ~~2.08~~ per user.

This surcharge shall remain in effect until such time as the revenue bonds are discharged. The initial surcharge shall be collected at the same time as other charges of the Drinking Water System. The surcharge is found to be equitable for the services provided by the improvement.
4. Segregation. The debt service surcharge shall be segregated from other income of the Drinking Water System in a separate account and is pledged to the South Dakota Conservancy District for the payment of the loan payments on the Borrower Bond, Series 2009.
5. Yearly review. The amount of the surcharge shall be reviewed from year to year and may be modified in order to provide such funds as are set forth herein. The charges shall be reviewed yearly by city personal and administratively adjusted, upwards or downwards, pursuant to SDCL § 9-40-15 to such amounts as may be necessary to pay principal, interest, administrative surcharge and other charges as may become due and owing under the Borrower Bond, Series 2009.
6. Billing and Accounting. The surcharge shall be included in the monthly user water bill. Nothing contained herein requires the surcharge be indicated on the billing, however, the surcharge segregation shall be indicated on the books of the City.

7. Surcharge not to create constitutional indebtedness. The charges provided herein are for the purpose of paying the Borrower Bond, Series 2009 of the City which do not constitute indebtedness within the meaning of South Dakota Constitutional Chapter XIII Section 4.
8. If any one or more of the provisions of the shall be held invalid, illegal, or unenforceable in any respect, by final decree of any court of lawful jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

Motion by: Dan Mayer
Seconded by: Ken Sabers

Motion Carried

Member Voting for All
Members Voting against none

October 13, 2010
Date

Chris R. Mettler
City of Sturgis
Municipal Utility Board Chairman

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Special Municipal Utility Board held on October 28, 2009 at 8:00 a.m.

Board Members Present: Bob Mechling, Ken Sabers, Dan Mayer, Ted Schultz, and Brian Tideman from CETEC Engineering. Also present: Water Superintendent Eric Tibbetts, City Manager David Boone, and Mayor Maurice LaRue.

Absent: None

Ted Schultz of CETEC gave a presentation on the water rate evaluation and the priority projects for the infrastructure of the Sturgis Municipal Utility Board properties.

The average age of the MUB wells is 32 years and improvements are needed to keep the infrastructure in good condition. Proposed capital improvement projects to keep the infrastructure in acceptable conditions are as follows:

Project 1 (2010 +)

Well 7 Booster pump system upgrade	\$209,196.00
Well 1 Removal and Replacement	\$1,181,466.00
Pine View Booster Pump & PRV Station and & Well 3 Upgrades	\$237,978.00
SCADA System Upgrades	\$52,000.00
PROJECT 1 TOTAL COST	1,680,640.00

Project 2 (2012-2013)

North Steel Tank Upgrades	\$80,730.00
South Steel Tank Upgrades	\$56,862.00
North Concrete Tank Upgrades	\$68,094.00
Pressure Reducing Valve Stations (6 total)	\$634,469.00
Well 4 Upgrades	\$42,053.00
Well 5 Upgrades	\$42,053.00
Well 6 Upgrades	\$42,053.00

PROJECT 2 TOTAL COST \$966,314.00

TOTAL CAPITAL IMPROVEMENTS COST: \$2,646,954.00

Ted Schultz further informed the Board that probably the best avenue to pursue would be a rural development loan which has a partial grant feature. Sturgis may be eligible for 25% of the total as a grant. It is also a longer term loan to better handle debt service.

Schultz pointed out that there had been a water rate increase in 1990, then not again until 2007. He also recommended a graduated water rate increase so that the capital improvement could be paid for in orderly fashion. After the presentation Dan Mayer moved, Ken Sabers seconded that these projects are appropriate for the integrity of the Municipal Utility Board water system and those projects and a proposed rate increase will be put on the agenda for the next

(- 1) meeting which will be held on November 10th at 8:00 a.m., because of the Veteran's Day Holiday falling on the regular board meeting time of November 11th at 8:00 a.m.

There being no further business the meeting was adjourned.

Bob Mechling
Acting President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on November 10, 2009, at 8:00 a.m.

Board Members Present: Bob Mechling, Dan Mayer. Also present: Ted Schultz and Brian Tideman of CETEC Engineering; Tim Potts of Rural Development, USDA; Faye Bueno, Sturgis City Finance Officer; Mark Chaplin and Joe Desjarlais, City Councilmen of City of Sturgis.

Absent: Ken Sabers

The agenda was approved, Dan Mayer moved, Bob Mechling seconded, which motion carried.

Dan Mayer moved to accept the minutes of the October 20th and October 28th, 2009, meetings Bob Mechling seconded, which motion carried.

Bills in the amount of \$108,113.75 were presented. Dan Mayer moved, Bob Mechling seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$38,699.88
FICA	\$ 2902.08
Retirement	\$ 2322.01
Health	\$ 2818.71
Dental	\$ 414.68
Life	\$ 54.21
Black Hills Power & Light	\$ 9133.26
Brosz Engineering	\$ 3255.00
Butte Electric	\$ 183.60
City of Sturgis Water Dept	\$ 102.00
Dakota Backup	\$ 72.16
First Interstate Bank	\$ 1077.59
Fischer, Julie	\$ 166.41
Knology	\$ 234.81
Montana Dakota Utilities	\$ 28.71
Morrell, Candy	\$ 398.80
Occupational Health Net	\$ 36.31
Verizon Wireless	\$ 228.15
Xcel Demo-Murray Addn.	\$ 33,122.70
American Public Works	\$ 226.00
BW Technologies	\$ 100.00
Campbell's	\$ 26.64

CBH Cooperative	\$ 621.33
CETEC Engineering	\$ 2670.00
Credit Collections Bureau	\$ 48.93
Diesel Machinery	\$ 650.99
Hawkins, Inc	\$ 50.00
HD Waterworks	\$ 1120.94
Hills Material	\$ 524.27
Elizabeth Jones	\$ 20.29
Light and Siren	\$ 120.76
Meade County Times	\$ 39.85
Midcontinent Laboratories	\$ 874.00
Morman Law Office	\$ 1977.20
M&T Fire and Safety	\$ 163.65
Northwest Pipe Fittings	\$ 742.25
O'Reilly Auto Parts	\$ 69.99
Owens	\$ 4.90
Pamida	\$ 49.44
Rushmore Office Supply	\$ 663.29
Servall	\$ 10.20
SD Rural water Assoc.	\$ 935.00
Sturgis NAPA	\$ 466.44
Sunny Acres	\$ 16.32
The Computer Shop	\$ 625.00
Toms T's	\$ 45.00
TOTAL	<u>\$108113.75</u>

Ted Schultz of CETEC Engineering presented an overview of Sturgis Water System and the rate needs for future infrastructure development and integrity. Schultz pointed out that we have not followed the CPI Index in terms of rate increases since the last increase in 2007. Tim Potts, Area Director Rural Development USDA explained how the Rural Development Loan functions for this type of project. The interest rate which is presently 3.75 is locked in for a 40-year period. There is also a possible grant eligibility which may be in the neighborhood of 25% for the City of Sturgis. Tim Potts remarked that a preliminary engineering report will be necessary much of which has been done by CETEC Engineering.

After discussion the Board felt that the Rural Development Loan with 40 year term made the most of sense from the standpoint of cash flowing the cost of improvements. After discussion the Board felt that the rate increase for the purpose of infrastructure repair and integrity should follow the rates in proposed Resolution 3A which provides as follows:

RESOLUTION NO. 3A

RESOLUTION APPROVING WATER RATE ADJUSTMENTS FOR RESIDENTIAL AND COMMERCIAL USERS IN THE CITY OF STURGIS FOR THE YEARS 2010, 2011, AND 2012.

WHEREAS, the City of Sturgis, South Dakota (the "City") through its Municipal Utilities Board is authorized pursuant to SDCL 9-39-19 and SDCL 9-39-23 to extend, improve, and operate the City's water system and set rates, fees, charges, and assessments for said operations; and

WHEREAS, pursuant to SDCL 9-39-6 et seq., the City of Sturgis, South Dakota (The City) has placed the management and control of the City's water system (The Water System) in the hands of the City of Sturgis Municipal Utilities Board (The Utilities Board); and

WHEREAS, the Utilities Board has determined that it is necessary and in the best interests of the City to make certain improvements to the water system, such improvements involving upgrades to the infrastructure as set forth in Municipal Utilities Board Resolution No. 2A, and it is deemed necessary by the Municipal Utilities Board that an orderly increase in rates to cash flow Rural Development Loan for the purposes of improving the infrastructure are necessary; and

WHEREAS, the Municipal Utilities Board has been provided a water rate evaluation prepared by CETEC Engineering Services of 1560 Concourse Drive, Rapid City, South Dakota 57703;

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the board approves the following water rates for the years 2010, 2011, and 2012:

RESIDENTIAL USES	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$/1000 GALLONS	\$2.15	\$2.30	\$2.45
Base minimum	\$12.00	\$12.50	\$13.00

City of Sturgis water users are referred to the City Water Office for the Engineering Report which is also on the Municipal Utilities Board website, for specifics regarding unit charges.

COMMERCIAL USERS	<u>2010</u>	<u>2011</u>	<u>2012</u>
\$/1000 GALLONS	\$2.25	\$2.50	\$2.75
Base Minimum			
¾" to 1"	\$12.00	\$12.50	\$13.00
1-¼"	\$22.00	\$22.50	\$23.00

1-½"	\$32.00	\$32.50	\$33.00
2"	\$42.00	\$42.50	\$43.00
3"	\$62.00	\$62.50	\$63.00
4"	\$82.00	\$82.50	\$83.00

For specific commercial applications, Sturgis Water Users are referred to the Engineering Report on file at the City Water Office and also available on the City Municipal Utilities Board website.

IT IS FURTHER RESOLVED that sections 3.01 Water Rates and Charges, § A(a) – (i) are hereby amended to reflect the foregoing rates.

Motion by Dan Mayer
Seconded by Bob Mechling
Motion carried.

Members voting for: 2
Members voting against: 0

First Reading: November 10, 2009

By: _____
President

Resolution 3A was given first reading and will be published November 18th in the Meade County Times.

The Board discussed the proposed projects for the water department infrastructure upgrade which will be presented once the rate increase become effective.

There being no further business the meeting was adjourned.

Bob Mechling
President

John T. Hughes
Secretary

MINUTES OF THE MUNICIPAL UTILITY BOARD

Minutes of the Municipal Utility Board held on December 9, 2009, at 8:00 a.m.

Board Members Present: Dan Mayer, Ken Sabers. Also present: Eric Tibbets, Water Superintendent, Jason Gross from Meade County Times Tribune. Later attendees were Connie Reubel and Sturgis Council person, Bernie Usera.

Absent: Bob Mechling

The agenda was approved, Ken Sabers moved, Dan Mayer seconded, which motion carried.

Ken Sabers moved to accept the minutes of the November 10, 2009, meeting Dan Mayer seconded, which motion carried.

Bills in the amount of \$86,710.53 were presented. Ken Sabers moved, Dan Mayer seconded to approve the bills, which motion passed. The bills approved are as follows:

<u>PAID TO:</u>	<u>AMOUNT:</u>
Salaries	\$ 24823.74
FICA	\$ 1839.46
Retirement	\$ 1489.44
Health	\$ 2990.54
Dental	\$ 446.06
Life	\$ 57.66
BH Power & Light	\$ 1033.89
Butte Electric	\$ 183.60
Dakota Backup	\$ 74.45
First Interstate Bank	\$ 68.52
First National Bank	\$ 19835.75
Montana Dakota Utilities	\$ 60.88
Occupational Health	\$ 68.00
Armstrong Extinguisher	\$ 45.00
Brosz Engineering	\$ 5977.50
CBH Cooperative	\$ 1340.63
Campbells	\$ 288.50
Caselle, Inc	\$ 1081.00
Cetec Engineering	\$ 4692.80
Credit Collections	\$ 59.10
Dakota Supply Group	\$ 3124.05
Diesel Machinery	\$ 779.28
First Interstate Bank	\$ 231.84

G&H Distributing	\$ 29.28
HD Waterworks	\$ 850.58
Haberland, Margaret	\$ 35.52
Hanzlik, Boyd & Kim	\$ 45.13
Hawkins	\$ 1850.66
Hersruds	\$ 81.07
Holiday Inn Expr Ft Pierre	\$ 210.00
Jacobsen Ford	\$ 595.80
Johnston's Hardware Hank	\$ 53.95
Lewton, Bob	\$ 550.00
Lynn's Dakota Mart	\$ 9.49
Morman Law Firm	\$ 717.02
Meade Co. Times	\$ 108.01
Midcontinent Laboratories	\$ 129.00
One Call Systems	\$ 136.40
Rushmore Office Supply	\$ 396.00
SD Federal Property	\$ 1902.00
Sam's	\$ 10.98
Servall	\$ 5.10
Stencilease	\$ 99.98
Sturgis NAPA	\$ 13.58
TTG Enterprises, Inc.	\$ 1900.00
Town-N-Country	\$ 11.31
O'Rielly Auto Parts	\$ 12.98
Pamida	\$ 35.00
Xcel Demolition	\$ 6330.00
TOTAL	<u>\$86710.53</u>

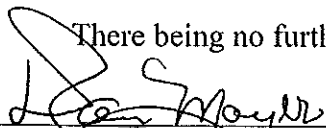
Eric Tibbets explained that Ladner Excavation got the bid for Murray Phase II for water and sewer for a total \$712,489.24. Eric explained to the Board that he would retrieve from that figure the total for just the water portion. With that assurance, Ken Sabers moved, Dan Mayer seconded to accept the bid, which motion carried.

Water adjustments were requested by Dan and Jonni Larson and Ken Sabers moved, Dan Mayer seconded to allow 20% of the request for \$21.60. Linda Anderson requested an adjustment on her bill and it was discovered that Dale Olson had visited with her a year ago about the leak, after discussion, Ken Sabers moved, Dan Mayer seconded to approve 20% or \$30.40, which motion carried.

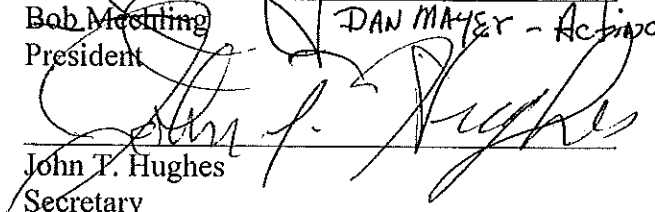
Connie Reubel appeared to protest the increase in water rates which is the subject of Resolution #3A, which was passed on November 10, 2009, and published in the Meade County Times Tribune on November 18, 2009. Superintendent Tibbets explained the reasons for the increases and the need to keep the infrastructure in serviceable condition. Both members, Mayer

and Sabers explained the need for the upgrade as well and Ms. Reubel understood the need for the orderly increase in rates.

There being no further business the meeting was adjourned.


Bob Meckling
President

DAN MAYER - Acting


John T. Hughes
Secretary